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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/834,478	04/13/2001	Emily Chien	40655.1300	2560
7590	05/11/2005		EXAMINER	
Thomas J. Finn Snell & Wilmer L.L.P. One Arizona Center 400 East Van Buren Phoenix, AZ 85004-2202			RUHL, DENNIS WILLIAM	
			ART UNIT	PAPER NUMBER
			3629	
			DATE MAILED: 05/11/2005	

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/834,478	CHIEN ET AL.	
	Examiner Dennis Ruhl	Art Unit 3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 16 February 2005.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-41 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____.
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____.

Applicant's response of 2/16/05 has been entered. Currently claims 1-41 are pending. The examiner will address applicant's remarks at the end of this office action.

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claim 33,34,36-41, are rejected under 35 U.S.C. 102(b) as being anticipated by Carrithers et al. (5689100).

For claim 33,37, Carrithers discloses registering a participant in a loyalty program as claimed. This is the debit card account of Carrithers. The providing of authenticating information is done when the debit card is being used (card has been swiped for a transaction). The selecting to redeem loyalty points is the use of the debit card itself, which means points will be used. The points are retrieved, converted to a currency as claimed and the number of points is deducted from the points balance. The claimed secondary transaction number is considered to be a transaction number like a receipt number, invoice number, etc.. The currency value (loyalty points) is credited to a financial account because the merchant processing the transaction is credited with the currency value in a merchant account. The language "to offset an executed charge" is nothing more than the intended use of the "posted to a financial account step" and is satisfied by Carrithers.

For claim 34, the examiner considers a debit card transaction to be “on-line”. The transaction is processed between computers connected to another, which is considered to be an “on-line” transaction.

For claim 36, much prior to the filing date of the instant application it was known to do shopping on the Internet. This is a computerized shopping network. When the user decides to use their debit card to process the transaction, this is in essence a request to use any loyalty points to facilitate the transaction.

For claims 38-41, the user interface is considered to be the device that the debit card of Carrithers is processed on (i.e. card reader). The specifics of the shopping network are given no patentable weight because it is not part of the claimed invention. The shopping network is the intended use of the user interface. The debit card of Carrithers is fully capable of being used in a shopping network as claimed. The loyalty program system is 124; the transaction account system is 122. The conversion system is the part of the system that converts points to currency. The middleware is also disclosed by Carrithers because the system can invoke the conversion system, and send and receive transaction details as claimed. The system of Carrithers does exactly what is claimed so it clearly has all of the systems claimed (which can be just individual portions of computer code). The limitation of “wherein said currency value is exchanged to offset an executed charge” is directed to the intended use of the system and defines no further structure to the system. The article claims will not be considered to define over the prior art by reciting limitations directed to the intended use of the system.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

5. Claims 1-22,24-32,35, are rejected under 35 U.S.C. 103(a) as being unpatentable over Carrithers et al. (5689100).

For claims 1,2,5,6,9,24,25,27-31, Carrithers discloses a method of converting earned loyalty points to currency and crediting the currency amount to the debit card of the user. The step of communicating with the participant is done when the user is conducting a transaction with the debit card. The user is given an indication if the transaction is approved or not. Carrithers discloses that a computer system looks up how many loyalty points the user has and converts those points to a currency value to be credited to the user's account. See column 7, lines 4-9 and column 7, lines 22-23. Carrithers does not disclose that the points are held in one database account and the

credit is given to a 2nd account (the debit card account). It would have been obvious to one of ordinary skill in the art at the time the invention was made to store the loyalty points in a first database account, with the converted currency value being credited to a 2nd account (the debit card account). When the credit is applied to the debit card account it is offsetting the purchase charge as claimed. Carrithers discloses the storing of loyalty points, retrieving that information, and converting points to currency as claimed. Having the points stored in a separate database account from the debit account itself is considered obvious to one of ordinary skill in the art.

For claims 3,7, a debit card is a “stored value card”.

For claims 4,8,32, it is well known that people buy gifts for themselves and for others (birthday, Christmas, wedding, etc.) so when a user buys a product using the debit card, that product is considered a gift. The product can be a gift for someone else or themselves. Also, the term “gift” is just the intended use of the product and in the opinion of the examiner does not serve to further distinguish any product from other products. All products are capable of being considered gifts.

For claims 10,26,35, not disclosed specifically is a wireless network. It is old and well known to use a wireless network such as a satellite dish to transmit data. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use the invention of Carrithers in a wireless network where a satellite dish is used to transmit data so that the incentive program of Carrithers can be used in the wireless network. The type of network the method of Carrithers is used in can be both wired and wireless and the invention will perform the same regardless of which is chosen.

For claim 11, because the user has a debit card they have already been registered in the loyalty program and authenticated as claimed. The loyalty account has been addressed for claim 5 previously.

For claim 12, the third party is considered to be the debit card company.

For claim 13, much prior to the filing date of the instant application it was known to do shopping on the Internet. This is a computerized shopping network. When the user decides to use their debit card to process the transaction, this is in essence a request to use any loyalty points to facilitate the transaction.

For claim 14, during the course of a transaction it is considered inherent that the user will be given information such as the price. This information is sent to the debit card company and will include the account number.

For claims 15,16, Carrithers discloses that a computer will determine if there is sufficient balance (with or without any loyalty points) to cover a given transaction. If the amount is enough to cover the transaction, the transaction will be approved, and if the amount is not enough, the transaction will be denied.

For claims 17,18, charging the debit card for the transaction is inherent in a debit card itself as well as the generation of a billing statement.

6. Claim 23 is rejected under 35 U.S.C. 103(a) as being unpatentable over Storey (5774870) in view of Carrithers et al. (5689100).

For claim 23, Storey discloses an online store that allows customers to purchase products on-line and use their loyalty points earned to get a prize product. The

customer accesses the on-line store by the Internet. Storey discloses presenting an online catalog as claimed. Storey does not disclose the use of loyalty points where the points are converted to a currency and credited to a financial transaction account. Carrithers discloses a debit card that credits the customer with points for purchases made. When the customer uses the debit card, any points available are converted to a currency value and credited to the debit account. It would have been obvious to one of ordinary skill in the art to allow a customer to make a purchase in the on-line store of Storey with a debit card as disclosed by Carrithers. When a customer selects a product for purchase and uses the debit card, they are using their loyalty points (points from the debit card). The steps of retrieving loyalty point information is disclosed by Carrithers and takes place when a transaction is occurring. Carrithers converts points to currency and credits the debit card account the appropriate amount of money the points equal to. The step of invoking a conversion processor to calculate the number of points needed is done by the customer. When a customer knows that they have accumulated loyalty points equal to \$50, and purchases an item and costs \$50, this satisfies what is claimed. By using the debit card to make the on-line purchase the customer is choosing to pay with loyalty points, where the points are converted to a credit and credited to the customer's debit account. The language "wherein said currency credit is applied to offset an executed charge" is nothing more than the intended use of the "posted to a financial account step" and is satisfied by the prior art.

7. Applicant's arguments filed 2/16/05 have been fully considered but they are not persuasive.

With respect to the arguments for claims 33,34,36-41, applicant has argued that Carrithers has only one account and that the points must be immediately available for conversion. The claims recite no such limitations and this aspect of the argument is not considered to be commensurate with the scope of the claims. With respect to the newly added limitation of the posting to a financial account, this has been addressed in the prior art rejection and no further comments are deemed necessary by the examiner. The arguments are non-persuasive and the rejection is deemed proper.

For the argument concerning the rejection under 35 USC 103 in view of Carrithers, the argument is found to be non-persuasive. The argument that Carrithers converts the points before payment is authorized is not commensurate with the scope of the claims because the claims contain no such limitation. As the examiner has set forth the rejection the currency value is credited to the debit card account and this will offset the charge to the debit account for the transaction being conducted. With respect to the argument overall, the examiner considers the use of more than one account to be obvious for the reasons set forth in the rejection. Based on applicant's argument, would the use of a 3rd account result in a patentable invention? The examiner is not going to issue a patent for claims directed to the same method as disclosed by Carrithers where the only difference is the storing of the points in one account and the crediting of the debit card account with the currency value. What is so special about having a 2nd account? Why does the 2nd account result in a patentable invention? No persuasive

argument has been presented explaining why this feature is so important and defines a patentable invention. The prior art teaches the conversion of loyalty points to a currency and the customer getting credited with the currency value to make a purchase. An accountant could probably figure out 100 ways to work the crediting on the books but at the end of the day the result is the same, namely that the customer is credited with the value of the converted points. The argument is non-persuasive.

For claim 23, the argument is non-persuasive. The added limitation is directed to the intended use of the crediting step and in the opinion of the examiner does not change the claim much if at all. The prior art rejection results in a credit (from converted loyalty points) being given to the customer account. If the customer were to make a purchase on a Monday and then makes another purchase on Tuesday where loyalty points are being used, one can consider the crediting of points on Tuesday to be offsetting the charge from Monday. The prior art rejection is deemed to be proper.

8. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



DENNIS RUHL
PRIMARY EXAMINER